



CRITICAL ACCESS HOSPITALS

January – December 2006

There were 1,283 critical access hospitals (CAHs) as of December 2006 representing virtually no change from December 2005. Presently, CAHs represent about 26 percent of all U.S. community hospitals and 56 percent of all U.S. rural community hospitals. During the past year, the American Hospital Association (AHA) represented, advocated and provided member outreach, education and management assistance to its CAH members. This **2006 CAH Annual Report** describes the AHA's activities and member services on behalf of CAHs.

REPRESENTATION, ADVOCACY AND POLICY DEVELOPMENT

Through our strong relationships with congressional staffs as well as through testimony to congressional committees and comments to federal agencies, the AHA has helped develop public policy that supports small or rural hospitals.

Advocating for Program Improvement on the Legislative Front

Before adjourning, the 109th Congress passed the **Tax Relief and Health Care Act of 2006**, which included the following AHA-supported provisions:

- ★ Extends for 6 months Section 508 of the *Medicare Modernization Act* (MMA), allowing for geographic reclassification for certain hospitals currently receiving 508 funding.
- ★ Requires CMS to develop consensus-based measures of outpatient quality of care for implementation by 2009.
- ★ Extends for two years the State 30/J-1 Visa Waiver program.

In addition, the AHA advocated successfully in several other areas important to small or rural hospitals including:

- ★ **Fiscal Year 2007 Appropriations:** Through grassroots advocacy with AHA members, we prevented the Administration's proposed \$36 billion Medicare reductions and \$12.2 billion Medicaid cuts from being included in the Senate and House budget resolutions and secured funding of important rural programs at the fiscal year 2006 level.
- ★ **The Rural Health Care Capital Access Act:** This law provides a five-year extension of the mortgage insurance program for CAHs under Section 242 of the *National Housing Act*, which insures loans for the construction and renovation of hospitals.
- ★ **The Physicians for Underserved Areas Act:** This law permanently authorizes amendments made by the *Immigration and Nationality Technical Corrections Act of 1994* for the purpose of permitting waivers of the foreign country residence requirement with respect to certain international medical graduates.

Pursuing Fairness in the Regulatory Arena

AHA staff developed and disseminated member advisories and comment letters to CMS on the Medicare Inpatient PPS Proposed Rule for FY 2007 and the Medicare Outpatient PPS Rule for CY 2007, and to the Department of Housing and Urban Development on the 242 mortgage program. All had implications for CAHs. The AHA's efforts include:

- ★ Urged CMS to revise its regulations on CAHs in Lugar counties. CAHs located in a newly-designated Lugar county should receive certified registered nurse anesthetists pass-through payments, regardless of whether they sought reclassification.
- ★ Supported CMS' proposal to change the CAH conditions of participation to allow registered nurses to serve as qualified medical personnel to screen individuals who present to a CAH emergency department, if the nature of the patient's request is within the registered nurse's scope of practice under state law and such screening is permitted by the CAH's bylaws.
- ★ Provided comments to CMS on CAH relocation criteria that extended the 75% test and altered the definitions of "mountainous terrain" and "secondary roads." Urged CMS to create a preliminary approval process to give assurances to those involved in the project that CAH relocation will be approved if it meets the assertions made in the attestation submitted to CMS. The AHA urged CMS to create a safe harbor for CAHs moving a short distance and to make significant changes to the agency's interpretative guidelines.
- ★ Convinced HUD to withdraw its proposed increase to mortgage insurance premiums under the 242 program while achieving a five-year extension of the 242 mortgage insurance for CAHs under the *Rural Health Care Capital Access Act*.

INTER-ORGANIZATIONAL RELATIONSHIPS

The AHA and the Section collaborate with state associations, national organizations, and the federal government in support of CAHs. These relationships include:

- ★ American Academy of Family Physicians, Committee on Health of the Public
- ★ Joint Commission on Accreditation of Healthcare Organizations, Work Group on Accreditation Issues for Small or Rural Hospitals
- ★ HRSA Office of Rural Health Policy, FLEX Program Advisory Committee, and
- ★ NRHA Annual CAH Conference Planning Committee

MEMBER OUTREACH, EDUCATION AND MANAGEMENT ASSISTANCE

The AHA and the Section assist our hospital members through communication, education and management strategy tools and resources, and services such as:

- ★ The Section's **CAH Update** newsletter
- ★ The Section's **CAH Web Site** at www.aha.org/aha/key_issues/rural/focus/cah.html;

The AHA Section for Small or Rural Hospitals serves as a valuable management resource to CAHs. For additional information, contact John Supplitt, senior director, AHA Section for Small or Rural Hospitals, at (312) 422-3306 or jsupplitt@aha.org.

Shirley Ann Munroe Leadership Award



The Shirley Ann Munroe Leadership Award provides an educational stipend to a small or rural hospital administrator or CEO who has displayed outstanding leadership commitment to meet the challenges faced by small/rural hospitals. Applications for the award are due **June 8**.

Visit the web site at <http://www.aha.org/aha/news-center/awards/rural-leadership/index.html>. If you have any questions about the award, please contact Hilda Fisher, staff specialist, AHA Section for Small or Rural Hospitals, at (312) 422-3334 or hfisher@aha.org.